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Research Bulletin

Company Experience with Flexible Work Schedules

by Harriet Gorlin

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IT HAS BEEN CALLED flextime and flexitime in the United States and gleitende Arbeitzeit, l'horaire variable, l'horaire souple, flextid, l'orario flessible in various parts of Europe.[1] From its first use in Germany in 1967 to alleviate traffic congestion en route to an aerospace plant, it has spread quickly throughout most of Western Europe, and is now beginning to appear in the Soviet Union, Poland, Japan and Australia. In the United States, flexitime has attracted considerable attention among human resources managers, and about one firm in six uses it to some extent.

The promises by proponents of leaps in increased productivity and reduced absenteeism through the use of flexible hours have yet to be convincingly demonstrated; but companies with years of experience in such systems attest to their potential in reducing tardiness, improving workplace efficiency, decreasing overtime, and providing an advantage in recruiting. Furthermore, flexitime provides companies with the opportunity to offer their employees a nontaxable benefit. This opportunity to better the quality of life for employees without cost to them—and with little or no cost to the company—may be the strongest inducement of all. At a recent meeting of The Conference Board's council of human resources executives, a senior vice president of a large eastern insurance company was asked what benefits his company reaped from the substantial use of flexible work schedules. He answered simply: "It pleases our employees very much and doesn't get in the way of anything."

What It Is

Flexitime is a scheduling system that allows full-time employees to choose their own starting and quitting times, so long as each works the total number of regularly scheduled hours in a prescribed period. In effect, flexitime gives workers intervals of time during the day—before and after management-set "core" periods—when they are freely able to attend to personal matters without jeopardizing their jobs or working fewer hours. For some, it means easier commuting; for others, more time for family, school, a hobby, or even a second job. For still others, it removes the anxiety of being late if the alarm does not go off or the train is delayed.

Flexitime is not just the shifting of starting and quitting times. That practice, called staggered work hours, does not contain the element of personal choice that is the quintessential feature of flexitime.[2]

At the heart of the rationale behind flexible working hours is the assumption that, if human beings are given control (within limits) over their working hours, they will not only be able to satisfy their nonjob responsibilities and desires to a greater degree, but they will become better workers for it. Furthermore, it is argued that, to the extent that extra time during the day will answer the need, the opportunity to relieve a worker's outside pressures will go a long way toward contributing to that worker's job satisfaction.

Other underlying assumptions for flexitime include the following:

- Self-management, an internal control, is a more effective motivator than most external controls, such as financial incentives or lateness penalties.
- In an environment of trust, essential to any flexitime system, most people will meet their responsibilities rather than take advantage of situations like honor systems or nonsupervised periods.
- Given the opportunity and encouragement, most workers will find solutions to problems at work themselves whether these arise from flexible work schedules or otherwise.

Prevalence

A recent Conference Board survey of companies in five industry groups—manufacturing, insurance, banking,

[1]"Flextime" is now the copyrighted brand name of a time-accumulating device manufactured by the Hecon Corporation.

[2]Staggered work hours were also devised to ease transportation problems, specifically for facilities in high density, urban locations. However, since much coordination and planning among employers and community transportation systems are required for effectiveness, it has proved difficult to implement, and interest in it has waned.

gas and electric utilities, and retailing—included questions on flexitime for three groups of employees—nonexempt blue-collar, and exempt and nonexempt white-collar workers.[3] (For a description of this survey see box.) Of the 570 responding companies, 16 percent overall reported some workers on a flexible work schedule. However, there were significant differences in prevalence, depending on industry, size of firm, and employee group.

Insurance companies were the heaviest users of flexitime; 37 percent of the participating insurers included this practice. Manufacturers and banks were average for the group reporting programs, with 15 and 16 percent, respectively. In contrast to these industries, the incidence of flexitime for any group of employees at gas and electric utilities and retailers was negligible and does not warrant further analysis. (See Table 1.)

Table 2 indicates the prevalence of flexitime programs among the 330 responding manufacturers, arranged by two-digit Standard Industrial Classification (SIC). The total group of respondents contained too few companies in most of the classes to provide a reliable basis for comparison among types of manufacturers. Nevertheless, some observations may be made. Half of the petroleum refiners (SIC 29) provided flexible hours for their employees—in this case, white-collar workers only. Among manufacturers of professional and scientific instruments (SIC 38), better than a third reported programs for both blue- and white-collar employees. The largest SIC group of responding manufacturers, the producers of fabricated metals (SIC 34), reported a less-than-average number of companies (11 percent) offering flexitime.

Number of Employees

The number of employees was a definite factor in the prevalence of programs. Large firms—those with 1,000 or more employees in banks and 5,000 or more employees in manufacturing and insurance—were more likely to offer flexibility to their workers than smaller firms. Of the total responding firms, 9 percent of the small firms, 15 percent of the medium firms, and 26 percent of the large firms had programs. (See Table 3.) Within the industry groups, the same relationship to size was demonstrated. This may be due, in part, to the fact that the ability to schedule flexible hours while adequately maintaining work loads and services is easier where many workers perform similar, but independent, tasks—a situation found more readily in larger companies.

[3]Harriet Gorlin, *Personnel Practices II: Hours of Work, Pay Practices, Relocation.* The Conference Board, Information Bulletin No. 92, 1981.

About the Survey

In the latter part of 1979, a questionnaire concerning flexible work schedules, among many other personnel practices, was mailed to a random sample of over 1,500 companies in five major industries—manufacturing, insurance, banking, gas and electric utilities, and retailing. There were 570 responses. The participants met the following criteria on minimum employment size: 200 employees for manufacturers and retailers, 100 employees for utilities and insurers, and 50 employees for banks. Information was elicited for three employee groups:

(1) Nonexempt nonoffice personnel, consisting of production, maintenance, warehousing and materials-handling workers in manufacturing; power plant, transmission and maintenance people in gas and electric utilities; and store personnel only—such as sales clerks, order clerks, stock clerks, check-out and wrapping clerks, and cashiers—in retail trade. This category was not applicable to banking and insurance companies.

(2) Nonexempt office personnel in clerical and technical jobs.

(3) Lower level exempt personnel in professional and technical positions, including first-line supervisors, floor managers, sales managers, and project managers.

Respondents were instructed to report practices at the locations affecting the largest number of each employee class, if they were multilocation employers.

Employee Group

Flexitime programs were almost exclusively provided for white-collar personnel, exempt and nonexempt. Only ten manufacturers reported any experience with flexible schedules for nonoffice or blue-collar workers. (See Table 1.)

Most of the flexible scheduling among survey companies occurred in nonunionized settings. In the total group of participating companies, it was largely the nonexempt, nonoffice workers in manufacturing, utilities and retailing who were unionized to any degree over 25 percent. It was also among these groups that flexitime was fairly low—3 percent of the manufacturers, none of the utilities, and one retailer. Since flexitime is pretty much a perquisite for white-collar workers, who are

Table 1: Companies with Flexitime Programs, by Industry Group

Industry	Total Respondents		Total Number of Companies with Programs		Number of Companies with Programs, by Employee Group					
					Nonexempt					
					Nonoffice[1]		Office and Clerical		Lower level Exempt	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Manufacturing	330	100	49	15	10	3	48	15	40	12
Insurance	57	100	21	37	*	*	21	37	20	35
Banking	131	100	21	16	*	*	18	14	16	12
Gas and Electric Utilities	26	100	1	4	—	—	1	4	1	4
Retailing	26	100	2	8	1	4	2	8	—	—
Total	570	100	94	16	11	3	90	16	77	14

[1]The total number of respondents with nonexempt, nonoffice personnel was 382, as this category does not apply to insurance companies and banks. The percentages in that column are calculated on the lower base.

*Does not apply.

Table 2: Manufacturers with Flexitime Programs, by Standard Industrial Classification (SIC)

SIC	Industry	Total Respondents	Respondents with Flexitime	
		Number	Number	Percent
20	Food and kindred products	29	4	14
21	Tobacco	—	—	—
22	Textile mill products	5	—	—
23	Apparel	10	1	10
24	Lumber and wood products	4	—	—
25	Furniture and fixtures	5	1	20
26	Paper and allied products	18	2	11
27	Printing, publishing and allied products	18	2	11
28	Chemicals and allied products	21	4	19
29	Petroleum refining	14	7	50
30	Rubber products	13	—	—
31	Leather and leather products	4	1	25
32	Stone, clay and glass products	11	1	9
33	Primary metal industries	20	3	15
34	Fabricated metals	46	5	11
35	Machinery (not electrical)	23	3	13
36	Electrical machinery, equipment and supplies	36	4	11
37	Transportation equipment	12	1	8
38	Professional and scientific instruments	11	4	36
39	Miscellaneous manufacturing	30	6	20
	Total	330	49	15

Table 3: Size of Companies with Flexitime Programs, by Number of Employees

Company Size by Number of Employees[1]	Respondents by Industry									
	All Industries[2]			Manufacturing			Insurance			Banking		
	Total Respondents	Flexitime Companies		Total Respondents	Flexitime Companies		Total Respondents	Flexitime Companies		Total Respondents	Flexitime Companies	
	No.	No.	%	No.	No.	%	No.	No.	%	No.	No.	%
Small	198	17	9	98	5	5	28	7	25	59	4	7
Medium	182	28	15	115	17	15	13	5	38	32	5	16
Large	190	49	26	117	27	23	16	9	56	40	12	30

[1]Size-of-company categories were determined by the following limits:

Small: Banks—less than 500; other industries—less than 1,000
Medium:Banks—500 to 999; other industries—1,000 to 4,999
Large: Banks—1,000 and over; other industries—5,000 and over

[2]Includes gas and electric utilities and retailers

Table 4: Percentage of Employees Scheduled in Flexitime Programs

Percentage of Employees Scheduled	Percentage of Respondents by Employee Group[1]									
	All Industries			Manufacturing			Insurance		Banking	
	NO	OC	LL	NO	OC	LL	OC	LL	OC	LL
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Less than 5%	—	23	18	—	19	12	6	12	50	40
5% — 24%	44	29	34	50	33	38	12	12	31	47
25% — 49%	11	5	6	13	5	3	12	12	—	7
50% — 99%	22	19	16	13	21	21	18	18	19	7
100%	22	24	25	25	23	26	53	47	—	—
Total[2]	100	100	100	100	100	100	100	100	100	100

[1]The following code was used to designate employee groups:

NO — Nonexempt nonoffice (production, operations, sales)
OC — Nonexempt office and clerical
LL — Lower level exempt

[2]Totals may not add up to 100 percent due to rounding.

largely unorganized, the data are inconclusive regarding the effect of unionization upon flexible scheduling programs.

Normal Work Schedules

The normal workdays and workweeks reported by the companies with flexible schedules closely paralleled the distribution of such patterns in the whole sample. Ninety-six to 100 percent of all respondents reported operating normally on a five-day week. Flexitime companies also almost unanimously reported normal workweeks of five days. The hours in a normal workday or workweek varied by industry and employee group; and here, too, the patterns in the companies with flexitime were quite similar to the overall sample.

Number of Workers Scheduled

The data regarding the percentage of employees on flexitime yield some measure of company commitment to the practice at the time of the survey. Insurance companies had the largest number of employees so scheduled, with half the companies reporting 100 percent of the two specified employee groups on flexitime. In half of the manufacturers with programs, less than 25 percent of employees were involved; but a quarter of the manufacturers with programs reported 100 percent on flexitime. About half of the banks provided programs for less than 5 percent of their staff, and none reported 100 percent on flexitime. (See Table 4.)

The May, 1980 supplement to the monthly *Current Population Survey*, conducted by the United States Bureau of the Census for the Bureau of Labor Statistics, included questions on flexible schedules for the first time. It was reported that 11.9 percent of the work force—7.6 million workers out of 64.4 million at work during the survey week—were on "flexitime or some other schedule that allows workers to vary the time they begin and end work." These included administrators, sales workers, and transport equipment operatives for whom time schedules have traditionally been informal and flexible arrangements. In addition, as it was defined, this figure includes workers on alternative work schedules other than flexitime.[4]

Very high figures are cited for the percentage of workers on flexitime in Western Europe. Oft-quoted figures run as high as 40 percent of the work force in Switzerland, 30 percent in West Germany, and 10 percent in France. These figures are generally estimated and rarely documented, but indications are that the practice is not just a fad in Europe.[5] Conditions and influences regarding labor on the continent are highly conducive to programs that increase worker control. European workers already have a high level of experience with participative management plans. Quality-of-work-life issues have attracted enough attention to have gained legislative support in many countries. This is an environment favorable to self-managed working hours, and there are indications for ever wider experimentation and use of flexible scheduling in Western Europe.

In the United States, the demographic shifts in the work force from 1970 to 1980 lead one to expect that flexitime will increase in the near future simply because it enables more women to enter the work force. Women now constitute almost half of the U.S. work force. In addition to the rising number of households headed and supported by women, about 50 percent of wives work.

[4]*News*. Washington, D. C.: United States Department of Labor, February 24, 1981.

[5]Bernhard Keppler, "European Industries." In D. Robison, *Alternative Work Patterns*. New York: Work in America Institute, 1976.

Legislation Affecting Flexitime Programs[7]

The Fair Labor Standards Act of 1938 (FLSA) and its amendments mandate the payment of a minimum wage for a maximum of 40 hours a week. This applies to more workers in the private and public sectors than any other law regulating wages and hours. All workers under its coverage must receive a time-and-a-half rate for work in excess of 40 hours in a week. Private-sector workers engaged in interstate commerce by employers doing a gross annual business over $362,500 are covered.

Executive, administrative and professional personnel, who earn more than a specified minimum salary, are exempted from coverage. Most field salespeople are also exempted. Certain industries are excluded from FLSA, but are regulated by other federal laws. These industries, for the most part, are related to transportation, and their employees may be free of maximum-hour restrictions.

Federal employees are further covered by Title 5 of the United States Code. They are required to be paid an overtime premium for work over eight hours in a day *and* over forty hours in a week. The recent experiment in flexitime was made possible by special limited legislation passed in 1978.

FLSA provisions do not extend to state and local government employees. Each of these entities regulates its work force by its own statutes. However, state and local codes may impose further restrictions on wages and hours for privately employed workers in their jurisdictions, thereby further limiting flexible scheduling.

Other legislation affecting private-sector employees and flexible working hour plans include the following:

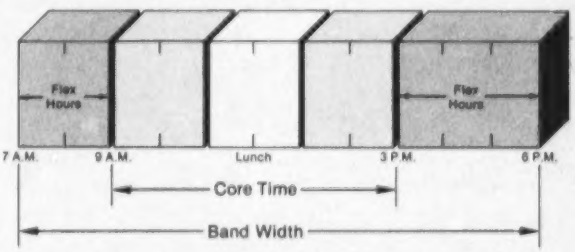
- The Walsh-Healy Act requires the payment of overtime wage rates for work over forty hours a week or eight hours a day for workers involved in government-contract work (with certain exclusions).
- The Davis-Bacon Act regulates wages and hours in companies engaged in public construction.
- The Contract Work Hours Act provides companies in contract with labor unions an annual or semiannual period in which to satisfy the maximum number of hours to be worked. The semiannual contract limits the hours that may be worked in a 26-week period to 1,040, and requires an overtime premium for work over 12 hours a day or 56 hours a week. Under the annual contract stipulations, a minimum of 1,840 hours, or 46 weeks' work, is guaranteed; the maximum number of hours that may be worked in a year is 2,250; and overtime premiums are to be applied to work over the minimum 1,840 hours during the year. The possibilities for flexible working schedules under these conditions are vast, including a flexible month or a flexible year.

Flexible working hours are especially effective in attracting women.

Since flexitime was first introduced into the U.S. workplace in 1971, there are only a handful of companies with ten years of experience today—SmithKline Corporation, Berol Corporation, Control Data Corporation, Prudential Insurance Company, Hewlett-Packard Company. In spite of legislative restrictions and constraints imposed by organized labor, the practice continues to grow, and interest in it is quite lively at present. (See box for legislation affecting flexitime programs.) The United States Office of Personnel Management, since September, 1978, has conducted what may be the largest experiment of flexible and compressed work schedules to date in this country. It involves 1,500 organizations and 325,000 government employees.[6]

Flexitime Patterns

A typical flexitime pattern for a unit in which employees normally work a five-day, forty-hour week from 8 a.m. to 5 p.m. daily may look like this:



The core time, when all employees must be at work, includes the one-hour lunch break, which may be the same for everyone or taken within one and a half or two hours by a half or a third of the staff at a time. The band width, the total number of hours during which the facility is operational, is 11 hours. Two hours in the morning and three hours in the evening are flexible time.

Obviously, there can be endless variations on this theme. A split core may be designated from 9 a.m. to

[6]For a description of the Master Plan for the Alternative Work Schedules Experimental Program, see the *Federal Register*, Washington, D. C.: General Services Administration, July 20, 1979, pp. 42661 — 42668.

[7]For a fuller treatment of this subject see Gerald Schilian, "Legal and Contractual Considerations," chapter 18 in Simcha Ronen, *Flexible Working Hours*, New York: McGraw-Hill, 1981.

noon and from 2 to 4 p.m., with an additional flexible period in midday to include a mandatory lunch period of at least half an hour. Starting time may be earlier, quitting time later or earlier. Core time may also vary considerably in length and time of day. The nature of the work, the degree of dependence of the staff on mass transportation, and the needs and wishes of the workers are the main factors that determine the shape of the schedule.

Some systems offer employees the freedom to vary arrival and departure times each day, so long as they fulfill the total number of hours for the prescribed period. This is considered a "total flex" system. A "modified flex" requires that employees maintain the schedules they choose for one week or some longer period. This constraint, while simplifying scheduling problems, may limit the effectiveness of flexitime in reducing lateness or absenteeism.

Another element that shapes this new worktime structure is the prescribed period, sometimes called the "settlement period," in which the full-time hourly schedule must be completed. It may or may not coincide with the pay period. It may be the 8-hour day, the 40-, 38½- or 37-hour week, the 70-hour biweekly period, the 160-hour month, or any interval within government regulations or contractual agreement. For nonexempt workers, this period is essentially restricted to the number of hours that may be worked at a straight-time rate in one stretch of time. Most flexitime systems are restricted to prescribed periods of eight hours because of state laws or contract requirements. (See box on page 7.)

In those plans not limited to the eight-hour day, or in facilities where the normal working day is less than eight hours, employees may gain additional flexibility by being allowed to "bank" hours in a debit and credit account. Most organizations offering this carry-over feature restrict it to flex-hour bands, so that time cannot be taken off during core hours.

Applicability

Some organizations use a variety of flexitime patterns within one facility. An office that does much of its business with contacts in other time zones may schedule core time accordingly, while an office that serves the local public will have another scheduled core period. Merchandise delivery drops, local banking hours, stock exchange hours, can all affect the flexibility of the facility or department. In the experience of organizations that have attempted flexible work schedules in various settings, applicability is limited, difficult or contraindicated in some operations. The following are examples of such situations:

- Assembly-line production or other continuous-process environments that must shut down when one station cannot be attended;
- Multishift operations, where scheduling for flexibility is very tricky because of overlapping shifts;
- Service-on-demand situations, where the availability of staff to respond to outside clients or suppliers is critical;
- Situations requiring high task-interdependence, where work flow can only be maintained by constant and meticulous planning;
- On-the-job training assignments, or other situations requiring continuous supervision.

It would, however, seem that the ability to surmount obstacles in scheduling is equal to the desire. For example, there is a printing firm in New Jersey that operates round the clock and employs people on a variety of schedules—three twelve-hour days a week, seven and a half-hour shifts from Monday to Friday starting at any hour (day or night) at the employee's choice, three-week months of ten-hour days, to name a few—even 9 to 5 o'clock, five days a week.

Units with high potential for maximum use of flexitime are those in which tasks are accomplished on an independent basis and where a minimum of supervision is required. For instance, batch processors of computerized data, operating independently with the use of an on-line terminal, have adapted well to flexitime.

Organizational Requirements

According to those who have had the experience, the development of a successful system may require some serious changes in organizational style and procedures. They consider a first-order priority to be the formulation of clear objectives for the program in terms of the unit for which it is proposed. These objectives must be reasonable, appropriate and attainable—the reduction of absenteeism, an increase in output, the elimination of lateness, or improved phone coverage during certain hours, to name a few. It is urged that the objectives be communicated to all employees who may participate in the plan, so that they understand what they will be trying to achieve, how results will be measured, and what failure to achieve these objectives will mean.

The importance of avowed support for the program by all levels of management, from the immediate supervisor to the chief operating officer of the facility, is also cited. In some cases, the presentation of the program to the participating unit is made by a high-level officer to reinforce this support. At the same time, flexitime companies find that it is advisable, if there is a union, to include representatives in the early stages of planning and implementation.

In addition to preparing the employees with educational and descriptive materials on the plan, many firms make training opportunities available at all levels for more effective operation under the new conditions. Such training might include techniques in group

dynamics, practice in time planning for task accomplishment, and the teaching of replacement task skills. Much depends, they say, on how task oriented employees can become, and how smoothly they can interact with one another to maintain the integrity of their unit. Furthermore, this training is carried out on a continuing and sustaining basis. Companies find that reinforcement of new work habits and attitudes is constantly needed. The enthusiasm of the workers flags, they find, if the commitment of management is not actively demonstrated. Companies also stress that the need for such communication and training is just as essential for the effectiveness of supervisors in the program as it is for other employees.

According to advocates of flexitime, the organization that achieves these goals to any substantial degree may have gained more than a workable system. It may, in fact, have taken a large step toward becoming a workplace capable of many other innovations and productivity-improvement measures. However, they warn, if flexitime is offered in an organizational climate that is incongruent with flexibility, that is rigid or hierarchical in all other ways, then the message to employees may be misleading and may, in the end, lower morale when higher expectations are not met.

Scheduling

Scheduling is the key to any flexible working arrangement. The burden of "choreographing" personnel who arrive and depart at almost all hours, meeting production goals or deadlines in a shifting workday, arranging general meetings and consultations in a compressed time frame, carrying out the additional training of workers in replacement task skills, and generally attempting to supervise operations over an expanded day greatly encumbers the manager's job. It is not surprising that companies report some resistance to programs from supervisors. The absence of one person in a small unit or facility may further intensify the problems of scheduling. The absence of two people may spell disaster. Companies reportedly focus on performance and task completion rather than on time at work in reorienting their employees for flexitime. However, the danger exists that the difficulties encountered in scheduling and making up time may actually increase the concentration on time, and overshadow the whole work environment. According to companies with experience, efficient work-planning skills and a spirit of cooperation on the parts of both managers and staff can overcome most problems.

Costs

While flexitime systems do not require large investments of capital, there are costs involved, which will vary in each organization. Start-up costs may include the formation of a steering committee, or some such body, to gather information on other companies' experience, to assess time considerations within the company, to survey employees, and to draft a proposal for a pilot study. The pilot study will entail further administrative costs in implementation, monitoring and evaluation. A second attitude survey is often taken at this point. The acquisition of time-recording or time-accumulating equipment is optional. Many companies prefer the honor system, at least for the pilot study.

The cost of orientation and training will be harder to determine because it will be ongoing. Energy costs may increase because of the lighting, heating or cooling required for the additional hours in the extended day. Increased personnel (perhaps working only part-time) may be needed to provide security, cafeteria, health unit, elevator and switchboard services for the extra hours. It was reported, however, that employees in locations not serviced by switchboards beyond the normal workday greatly appreciated the quiet periods very early or very late, which allowed concentrated, uninterrupted work. It may be that companies do not know what their actual costs for flexitime are, or perhaps it is that their benefits, however perceived and measured, are deemed cost-effective; but, on the whole, companies do not cite costs as a deterrent factor.

Lateness, Absenteeism and Turnover

Since the system is designed to free employees from the tyranny of rigid time schedules, "lateness" is virtually eliminated by most plans. Even if workers are held to a fixed schedule of their own choosing for a specific length of time, leeway of up to a half hour on arriving is generally given, since it can be made up at quitting time. Those unable to comply within these limits are able to select a more suitable schedule. Only people arriving during core time are considered "late." Flexitime will not shelter or improve chronic offenders or incorrigibles, but it can be a great comfort for those with temporary problems or occasional lapses. Flexitime "watchers" feel that, more than anything, it preserves the dignity of employees who do not have to make excuses or reveal personal situations to their bosses or co-workers.

Declines in turnover and absenteeism do not equal the dramatic decrease in lateness. Not all absences are due to appointments, personal errands, or the unwillingness to come in late. Those that are should decrease because of the opportunities of flexibility; but chronic absenteeism, like chronic lateness, will not be affected by any arrangement of time. Of course, absence for illness cannot be expected to change in any case.

Turnover is not always due to dissatisfaction with working hours. Some decline was observed as those with heavy nonjob responsibilities found accommodation in flexitime, but reports from U.S. firms were generally

inconclusive regarding turnover. However, some early experiences in Western Europe indicated sharp reductions in turnover due to flexitime programs.

Pros and Cons

Companies report many advantages of flexitime, but each is qualified in some manner. The following by no means exhausts the paradoxes:

- *Recruitment and retention:* As long as flexitime is not widely offered, it provides an added inducement in recruiting and retaining workers, especially women with children. As more organizations adopt it, this advantage diminishes.
- *Work readiness:* Employers have reported quicker starts in the morning, due either to the avoidance of the rush hour or to the fact that co-workers are already working when the employee arrives. However, the very earliest or latest hours are sometimes abused because they are not supervised.
- *Overtime:* Employers report a decreased need to schedule overtime. The extended day may, indeed, be a better fit for the company's work cycle. One manufacturer observed that employees voluntarily scheduled their time to meet peak loads. If such efforts are not rewarded, flexitime may be viewed as a speed up. On the other hand, many workers resist the system because they depend on overtime pay.
- *Time off:* The decrease in company time off for personal chores or medical appointments constitutes a real savings for the company, but may be regarded by some employees as a loss of a benefit. Firms have also had to face the problem of how to handle personal time off for people in the organization who do not choose flexitime, leading to great confusion over any excused time off, unless very specific policies have been written to cover most emergencies.
- *Skills:* The increased versatility that some workers gain in firms that offer opportunities to learn additional skills and job procedures for fill-in purposes during flex hours often provides these workers with new challenges and improved promotability. But, in many cases where organized labor was involved, objection was made to a system requiring workers to fill in for others. Even in nonunion situations, pay rates may differ between the worker and his or her flex-hour replacement. The result may be increased grievances and noncooperation.
- *Worker morale:* Almost all companies report improvements in morale and team spirit among workers on flexitime, but also discover deep resentment among units or branches that were either not selected for participation or were offered a more restricted plan.

Productivity

It is difficult to accept the reports of increased productivity due only to flexible working hours. Productivity is a variously defined concept, measured in a variety of ways. Individual company measurements of productivity are generally not comparable and perceived degrees of productivity improvement from attitude surveys or management "guesstimates" are even less reliable as an index. But behavioral scientists have been ever more effective in convincing human resources people that increased control over one's working life, reduced pressure from time constraints, a more open and participative climate in the workplace, and work that is better organized will lead to more productive workers.

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Oil Shocks and Economic Adjustment

The Experience of the Industrial Countries

by John Hein
Director, International Economics

The Conference Board

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